

**NORTHBROOK, IL** – With more than 32.1 million Americans expected to hit the road during the Memorial Day weekend and the price of a gallon of regular gasoline reaching \$3.75 in the northern suburbs, U.S. Representative Mark Kirk outlined the need for congressional action on six policies to help reduce the price of gasoline. The six policies include:

1. Ending local fuel monopolies
2. Expanding the number of gasoline refineries
3. Increasing America's fuel economy by 50 percent
4. Continuing tax credits for hybrid cars
5. Increasing E85 deployment
6. Supporting the advancement of other alternative fuels and vehicles.

"Federal action is needed to help lower gas prices," Congressman Kirk said. "Congress should end boutique fuels monopolies and expand refineries serving the Midwest. We need bipartisan action to increase conservation and promote the production of American-made fuels."

Joining Kirk at a local gas station were scientists from Argonne National Laboratory who displayed an experimental plug-in hybrid car that is estimated to get more than 100 miles per gallon while the vehicle runs primarily on the battery. Unlike current gas-powered vehicles or hybrids, the modified Saturn Vue Green Line's two powertrains allow the vehicle to operate electrically at highway speeds with a range of 20 miles before a drop of gas is necessary. The car can run in three modes: 1) all-electric, 2) conventional hybrid, or 3) blended gas/electric hybrid mode.

"Technologies like Argonne National Laboratory's plug-in hybrid car will help America achieve energy independence," Congressman Kirk said. "We now import nearly twice the amount of crude oil that we produce. Fuel-efficient and alternative-energy vehicles are some of the best ways to limit our dependence on foreign oil and preserve our environment. We need to continue to support research institutions like Argonne, and encourage consumers to purchase these technologies."

The six-point plan is detailed below.

## Six Steps to Lower Gas Prices

### End Local Fuel Monopolies

**Pass Boutique Fuels Reduction Act of 2007 and H.R. 2492, the 2007 Motorist's Bill of Rights, to break local fuel monopolies created by complex federal regulations.**

Under overly complex federal rules, there are 15 types of gasoline sold in different areas of the country. For example, in the Chicago area, drivers can only purchase reformulated gasoline (RFG) blended with ethanol.

This "Balkanization" of fuel blends leads to considerable supply problems. If there is a supply problem (such as the current temporary shutdown of several oil refineries), gasoline from other markets cannot be transported and sold at lower prices.

### Actions Congressman Kirk Took Last Congress

- Cosponsored H.R. 1459, the Boutique Fuels Reduction Act of 2005, and H.R. 1493, the Boutique Fuels Elimination Act of 2005.
- Cosponsored Energy Policy Act (EPACT) of 2005, which removed the 2 percent oxygenate standard, providing refiners the flexibility in producing supply, and capped boutique fuels at those already registered with the US EPA. Signed into law Aug. 8, 2005.

### Expand Number of Gasoline Refineries

**Pass H.R. 2492, the 2007 Motorist's Bill of Rights, to designate at least three closed military installations as potentially suitable for new refinery sites. Additionally requires redevelopment plans to consider the feasibility of new refinery construction.**

There are only 149 gasoline refineries in the United States – down from 350 in 1981. No new

oil refineries have been built since 1976, despite a rapidly increasing demand from 80 million more Americans. Multiple refinery shutdowns this year have compounded the current supply shortage. The BP refinery in Whiting, Ind., one of the largest in the United States and a major supplier of the customized gas sold in Chicago during the summer suffered a fire in late March and then a power failure in early April. The refinery is running at half its normal output.

#### **Actions Congressman Kirk Took Last Congress**

- Cosponsored H.R. 5254, the Refinery Permit Process Schedule Act, to create a streamlined, efficient process through which entities can apply for a refinery permit, without weakening any environmental standards. On June 7, 2006, H.R. 5254 passed the House of Representatives by a vote of 238-179.

- Cosponsored Energy Policy Act of 2005, with provisions to encourage the development of new refineries and expanding existing refineries. Signed into law Aug. 8, 2005.

#### **Increase America's Fuel Economy by 50 Percent**

**Pass H.R. 656 to lift the Corporate Average Fuel Economy (CAFE) standards from 2004's level of 20.7 miles per gallon to 33 miles per gallon by 2016.**

Increasing fuel economy would save the average American family \$2,000 per year. Requiring automakers to develop more fuel-efficient vehicles will reduce demand, make our air cleaner and save the nation millions in gasoline costs.

#### **Actions Congressman Kirk Took Last Congress**

- Cosponsored H.R. 3762 to raise CAFÉ standards from 20.7 mpg to 33 mpg for all cars and trucks by 2016.
- Supported and cosponsored three amendments to raise standards.

#### **Continue Tax Credits for Hybrid Cars**

**Pass H.R. 1618 to provide a \$4,000 tax credit for the purchase of plug-in hybrid vehicles to stimulate consumer interest in new vehicle technologies**

New technologies, like Argonne National Laboratory's plug-in hybrid vehicle, will allow consumers to dramatically reduce their gasoline consumption. Tax credits help lower higher production costs for these more efficient vehicles.

**Actions Congressman Kirk Took Last Congress**

- Cosponsored H.R. 626, the VEHICLE Technology Act, to extend the \$2,000 tax deductions for electric vehicles and clean-fuel vehicles to 2009 and allow a tax credit for investments in various alternative motor vehicles.
- Cosponsored Energy Policy Act of 2005, which included \$3,400 tax deductions for hybrid vehicles. Signed into law Aug. 8, 2005.

**Increase E85 Deployment**

**Pass H.R. 604, the E85 Investment Act of 2007, to increase the tax incentives for E-85 fuel vehicle refueling stations, and H.R. 765, to increase and extend the alternative motor vehicle tax credit for flexible fuel hybrid vehicles.**

E85 fuel combines 85 percent ethanol with 15 percent gasoline. On May 7, a gallon of E85 was 31 cents cheaper than a gallon of regular unleaded gasoline at an Arlington Heights Marathon station.

There are six million E85-capable vehicles on U.S. roads, compared to approximately 230 million gasoline- and diesel-fueled vehicles. However, there are only 1,200 E85 outlets, and only 800 of those stations are open to the public. Illinois has 155 E85 stations. Henry Ford built his first Model T in 1908 to run on either gasoline or ethanol. It's time Americans have more flexibility in their gasoline options.

### Actions Congressman Kirk Took Last Congress

- Cosponsored Energy Policy Act of 2005, which included tax credits for investments in E85 fuel refueling stations and for ethanol producers. 401 E85 pumps have been installed since the Act was signed last year.

### Support the Advancement of Other Alternative Fuels and Vehicles

**Pass H.R. 635 to amend the Clean Air Act to require that all gasoline sold to U.S. customers for motor vehicles by 2012 contain at least 10 percent renewable fuel, and H.R. 86, the Oil and Gas-to-Alternatives Swap Act of 2007, to amend the Internal Revenue Code to expand and extend the incentives for alternative fuel vehicles and refueling property and to repeal the oil and gas production incentives.**

The U.S. imports nearly twice as much crude oil than it produces (10.1 million barrels/day vs. 5.2 million barrels/day). The more we reduce our dependence on foreign sources of oil, the more we will ensure our economic prosperity.

### Actions Congressman Kirk Took Last Congress

- Cosponsored H.R. 4409, Fuel Choices for American Security Act of 2005, setting goals to reduce dependence on imported oil by five million barrels a day by 2025 by increasing tax credits and incentives for alternative fuel vehicles.
- Cosponsored H.R. 6203, The Alternative Energy Research and Development Act, to authorize R&D at the Department of Energy to accelerate the development and widespread use of a broad portfolio of advanced, clean energy technologies, including hybrid vehicles, biofuels, energy-efficient buildings, and solar photovoltaic, hydrogen, wind, coal methane, geothermal, and hydropower energy. Passed the House of Representatives on Sept. 29, 2006.